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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/330,446	06/11/1999	ROBERT M. FORD		9422

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EXAMINER

MEINECKE DIAZ, SUSANNA M

ART UNIT	PAPER NUMBER
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3623

DATE MAILED: 11/08/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/330,446

Applicant(s)

FORD, ROBERT M. 

Examiner

Susanna M. Diaz

Art Unit

3623

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 02 October 2002.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-4 and 7-15 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-4 and 7-15 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. §§ 119 and 120**

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

1. This Final Office action is responsive to Applicant's amendment filed October 2, 2002.

Claims 1, 3, 4, and 9-15 have been amended.

Claims 5 and 6 have been cancelled.

Claims 1-4 and 7-15 are presented for examination.

2. The previously pending objections to the claims are withdrawn in light of Applicant's amendment of the claims.

The previously pending rejection of claim 13 under 35 U.S.C. 112, 2<sup>nd</sup> paragraph, is withdrawn in light of Applicant's amendment of claim 13; however, new rejections under 35 U.S.C. 112, 2<sup>nd</sup> paragraph, are applied below in light of Applicant's claim amendments.

### ***Response to Arguments***

3. Applicant's arguments with respect to claims 1-4 and 7-15 have been considered but are moot in view of the new ground(s) of rejection, which are necessitated by Applicant's amendment to the claims.

### ***Claim Rejections - 35 USC § 112***

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 1-4, 9-11, 13, and 14 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 recites the step of "determining a first price for a commodity at a first tier" (line 3); however, this determined "first price" is never used or referred to beyond the initial determination step. In other words, it is unclear why this first price is determined in the first place if it is not referenced in the rest of the claim, especially as the claim relates to the amended limitation of determining the price of a commodity sold with an "insurance instrument designed to indemnify against at least one risk associated with purchasing said commodity at said second tier." Claims 2-4 are dependent from claim 1 and therefore inherit the same rejection.

The same problem arises with the first price determined in step a) and the fourth price determined in step d) of claims 13 and 14. These prices are never referred to again or used in the remainder of the claims. Again, it is unclear why these first and fourth prices are determined in the first place if they are not referenced in the rest of the claims.

Claim 3 recites the limitation, "wherein ownership of said insurance instrument is not transferred to said customer," and claim 4 recites the limitation, "wherein ownership of said insurance instrument is transferred to said customer." It is not clear what is meant by transferring as opposed to not transferring the ownership of the insurance instrument to the customer. Presumably the customer is the one purchasing the commodity and the insurance; therefore, it would seem logical that the customer then

Art Unit: 3623

becomes the owner of the insurance instrument. This still brings into question what is meant by "transferring" ownership since an insurance instrument does not really exist until it is purchased. Also, under what circumstances would the "ownership" of the insurance instrument not be transferred to a customer? For examination purposes, the Examiner will interpret claim 3 as referring to an insurance instrument that is purchased by a seller of a commodity while claim 4 will be interpreted as referring to an insurance instrument that is purchased by a buyer of a commodity.

Claim 9 recites the step of "transferring to said customer the right to receive insurance indemnification against loss..."; however, it is not clear what is meant by *transferring* the right to receive insurance indemnification to a customer. Presumably the customer is the one purchasing the commodity and the insurance; therefore, it would seem logical that the customer then becomes the owner of the insurance instrument. This brings into question what is meant by "transferring" a right to receive indemnification since an insurance instrument does not really exist until it is purchased. For examination purposes, "transferring to said customer the right to receive insurance indemnification against loss..." will be interpreted as "providing said customer with the right to receive insurance indemnification against loss..." Claims 10 and 11 are dependent from claim 9 and therefore inherit the same rejection.

Appropriate clarification and/or correction is required.

Art Unit: 3623

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1-15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cigna's product, PowerBacker(SM), as disclosed in the following references:

"Cigna Property & Casualty Launches New Cigna Power Products Unit,"

"New Line of Cigna Insurance Products Designed to Help Market Manage Risk,"

"Cigna Announces Products to Insure Against Price Swings in Power Market,"

and

"Cigna Unit Turns On the Power in Newest Risk Management Offering," *in view of Applicant's admitted prior art.*

PowerBacker discloses a method for managing the sale of a tier-priced commodity comprising the steps of:

[Claim 1] b) determining a second price for said commodity at a second tier ("Cigna Property & Casualty": ¶ 8 – If buyers and sellers of power have the option of purchasing insurance to protect them against market outages, price spreads, etc., then it is understood that there is a price associated with the commodity *per se*, i.e., not including the cost of insurance);

c) determining a third price for an insurance instrument designed to indemnify against at least one risk associated with purchasing said commodity at said second tier (“Cigna Property & Casualty”: ¶ 8; “New Line of Cigna Insurance Products”: ¶ 6); and

d) offering said commodity at said second tier for sale at a fourth price; wherein said fourth price is a function of said second price and said third price (“Cigna Property & Casualty”: ¶ 8; “New Line of Cigna Insurance Products”: ¶ 6 – The total cost of the commodity *per se* plus insurance purchased to cover any loss associated with the commodity is the “fourth price”);

[Claim 2] receiving a request from a customer to purchase said commodity for said fourth price and selling said customer said commodity (“Cigna Property & Casualty”: ¶ 8; “New Line of Cigna Insurance Products”: ¶ 6);

[Claim 3] wherein ownership of said insurance instrument is not transferred to said customer (“Cigna Property & Casualty”: ¶ 8 – The seller of the commodity may purchase an insurance instrument);

[Claim 4] wherein ownership of said insurance instrument is transferred to said customer (“Cigna Property & Casualty”: ¶ 8 – The buyer of the commodity may purchase an insurance instrument);

[Claim 7] wherein said tier-priced commodity is electrical power (“New Line of Cigna Insurance Products”: ¶ 6 – MW, i.e., megawatts, is the unit of measurement for electrical power);

[Claim 8] wherein said tier-priced commodity is electrical power ("New Line of Cigna Insurance Products": ¶ 6 – MW, i.e., megawatts, is the unit of measurement for electrical power).

PowerBacker does not explicitly disclose the step of determining a first price for a commodity at a first tier (which Applicant discloses as "firm power," as opposed to "interruptible power," which is discussed at least on page 2 of the specification). However, by Applicant's own admission (see at least page 2 of the specification, which is part of the "Background of the Invention"), it is old and well-known in the art of power generation for a power generation company to offer its customers both "firm electrical power" and "interruptible power," wherein a discount is offered to a customer who agrees to purchase the "interruptible power." PowerBacker provides insurance to power buyers and sellers who deal with interruptible power; it is at least the power interruptions against which the insurance protects the buyers and sellers. Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to provide a potential customer of the PowerBacker insurance with a first price for a commodity at a first tier (i.e., the price of "firm power") in order to enable the customer to more comprehensively assess all of his/her options to make a more educational decision regarding which power purchase to make (e.g., firm power, interruptible power, or interruptible power backed by an insurance instrument).



[Claims 9-12] Claims 9-12 recite limitations already addressed by the rejection of claims 1-4, 7, and 8 above; therefore, the same rejection applies. PowerBacker, though, is not explicitly disclosed in a computer-implemented embodiment; however, Official Notice is taken that it is old and well-known in the art of energy sales and insurance to conduct a purchase of energy as well as insurance policies online, i.e., via a computer network. Online energy and insurance purchases often facilitate quick and efficient energy and insurance transactions while reducing costs normally associated with maintaining a customer service center of sales agents. Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to make the sale of energy along with the purchase of PowerBacker insurance policies available online, i.e., via a computer network, in order to facilitate quick and efficient energy and insurance transactions while reducing costs normally associated with maintaining a customer service center of sales agents. A networked version of PowerBacker, where customers can perform transactions online, would necessarily include at least two computers and data storage.

As per claim 10, PowerBacker discloses an insurance instrument that is designed to protect against loss associated with interruptions in the delivery of said second tier commodity ("Cigna Property & Casualty": ¶¶ 8, 9).

As per claim 11, PowerBacker discloses an insurance instrument wherein the price of the insurance instrument is based upon one or more factors associated with said customer ("New Line of Cigna Insurance Products": ¶¶ 8-12 – The risks of outage,

e.g., at the customer's location for receiving power, and how long the customer desires to receive insurance coverage all affect the price of the insurance instrument).

[Claims 13-15]      Claims 13-15 recite limitations already addressed by the rejection of claims 1-4 and 7-12 above; therefore, the same rejection applies.

Additionally, PowerBacker does not explicitly disclose the ability of a customer to shop around for and compare energy and insurance prices from different sources. However, Official Notice is taken that it is old and well-known in the art of energy generation and insurance policies for a customer to be provided with various prices from competing companies offering either energy or insurance policies. Furthermore, Official Notice is taken that it is old and well-known in the art for companies to compete for business from customers by submitting competitive bids to these customers. This allows customers to quickly and conveniently shop around for the energy and/or insurance policy best meeting his/her needs while providing more exposure for the energy and insurance companies. Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to let various companies selling energy and energy insurance policies, such as those offered by PowerBacker, offer competitive prices (e.g., in the form of bids) to one or more customers in order to allow customers to quickly and conveniently shop around for the energy and/or insurance policy best meeting his/her needs while providing more exposure for the energy and insurance companies.

***Conclusion***

8. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Susanna M. Diaz whose telephone number is (703) 305-1337. The examiner can normally be reached on Monday-Friday, 9 am - 5 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tariq Hafiz can be reached on (703) 305-9643.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (703)308-1113.

Any response to this action should be mailed to:

**Commissioner of Patents and Trademarks  
Washington D.C. 20231**

or faxed to:

**(703)305-7687** [Official communications; including  
After Final communications labeled  
"Box AF"]

**(703)746-7048** [Informal/Draft communications, labeled  
"PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 22202, 7<sup>th</sup> floor receptionist.

*Susanna Diaz*

Susanna M. Diaz  
Patent Examiner  
Art Unit 3623  
November 5, 2002

*Kyle J. Choi*  
KYLE J. CHOI  
PRIMARY EXAMINER  
*Art Unit 3623*